

Truckload Rates Set to Rise, TransCore Says

The following paragraph pretty much sums up the context of the reference article.

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Most trucking companies would probably agree with the comment above.....with one exception. The exception is that it appears the majority of trucking companies are gearing up to push rate increases – not March. Carriers that were able to begin replacing older equipment are now feeling the full impact of the financing costs associated with the much higher priced new equipment. Operating costs are escalating faster than previous years. Many carriers will simply not be able to wait until March to begin recovering higher financing and operating costs.



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Spot market rates rose 7.4 percent in 2011, contract rates 6.5 percent, analyst says

Truckload rates rose less than some carriers expected but more than shippers wanted in 2011, with spot market rates on average rising 7.4 percent and contract rates climbing an average 6.5 percent, a freight pricing specialist says.

Those rates are likely to resume climbing early in 2012, Mark Montague, industry pricing analyst at TransCore Freight Solutions, said in TransCore's [Freight Talk blog](#).

“If the economy improves, the demand will increase pressure on scarce capacity,” he said in his blog. “If the economy stalls, carriers will park more trucks or exit the market entirely. Either way, expect rates to head up as soon as mid-March.”

In 2011, “shippers showed a typical reluctance to raise rates, but their contract rates eventually followed the spot market’s lead,” Montague said.

Shippers hoped to hold rate increases in the 4 to 5 percent range last year, while many carriers eyed increases of 8 percent or more. Spot market rates shot up first but rose unevenly over the year, while contract rates took off in the second half.

TransCore [research](#) shows spot market freight demand and capacity both dipped in December, though there were more loads and trucks available than a year ago.

In December, spot market dry van rates were up 5.5 percent year-over-year, reefer rates were up 4.1 percent and flatbed rates increased 5.7 percent. Sequentially, dry van rates dropped 0.7 percent and reefer rates 2.5 percent from November, while flatbed rates remained flat month-to-month, TransCore said.